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**BEFORE THE INSURANCE COMMISSIONER
OF THE STATE OF UTAH**

UTAH INSURANCE DEPARTMENT,

Complainant,

v.

LEGACY INSURANCE AND FINANCIAL
SERVICES, License # 297909
Wayne Gray, Owner, License # 215156
6671 South Redwood Road, Suite 200
West Jordan, UT 84084

Respondents.

STIPULATION AND ORDER

Docket No. 2015-058 LC

Enf. Case No. 3619

Judge Mark Kleinfeld
Administrative Law Judge

STIPULATION

The Utah Insurance Department ("Department"), by and through its legal counsel, and Legacy Insurance and Financial Services ("Respondent"), by and through its owner, Wayne Gray, hereby stipulate and agree as follows:

1. Respondent is an active resident insurance producer. Respondent's address is 6671 S. Redwood Road, Suite 200, West Jordan, UT 84084. Respondent's Company License Number is 297909. Respondent is owned by Wayne Gray, and Mr. Gray's License Number is 215156.

2. The Department has jurisdiction over the parties and subject matter of this administrative action.

3. Respondent acknowledges notice of agency action pursuant to Utah Code § 63G-4-201; acknowledges that this Stipulation and Order is an informal proceeding pursuant to Utah Code § 63G-4-202; and irrevocably waives the right to any hearing, review or appeal concerning this matter.

4. Respondent knows of its right to be represented by legal counsel and waives this right by either having sought the advice of legal counsel or by having voluntarily chosen not to do so.

5. This signed Stipulation, along with any Findings of Fact and Conclusions of Law, shall not be subject to any reconsideration, renegotiation, modification, hearing or agency review or appeal.

6. The Findings of Fact and Conclusions of Law presented below are accepted by the parties.

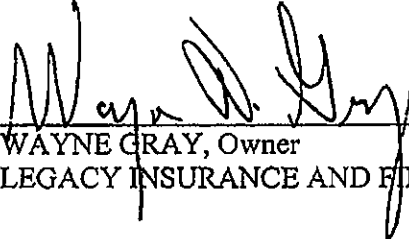
7. The issuance of the signed and adopted Order proposed below is solely for the purpose of disposing of the specific matter entitled herein.

8. The only promises, agreements and understandings that the parties have regarding this matter are contained in this Stipulation.

9. Respondent enters into this Stipulation voluntarily, knowingly, and free from any coercion of any kind.


10. The persons signing this Stipulation on behalf of the named parties hereby affirm that they are authorized to sign and bind the parties.

Dated this 8th day of June, 2015.



WAYNE GRAY, Owner
LEGACY INSURANCE AND FINANCIAL SERVICES

Dated this 15th day of June, 2015.



GARY JOSEPHSON,
Assistant Attorney General
UTAH DEPARTMENT OF INSURANCE

Based upon the foregoing Stipulation and Department file, the Presiding Officer makes the following Findings of Fact:

FINDINGS OF FACT

1. Following receipt of an anonymous complaint and copy of an advertisement sent to a consumer in Salt Lake City, the Department initiated an investigation. This advertisement offered to send the consumer a reserved copy of a free Medicare Guide. The advertisement also stated that "quantities were limited." It was signed by Wayne Gray, as Regional Sales Manager.
2. The advertisement did not state that Respondent was an insurance producer/agent or identify the name of the insurance agency. The advertisement did state "an agent may follow-up."
3. On July 8, 2013, A meeting between Department personnel and Wayne Gray was

held at Respondent's offices, where both the advertisement problems under Utah Code § 31A-23a-402 and the Administrative Rules applicable to sale and solicitation of insurance were discussed. Mr. Gray was also presented with an audit letter and information request.

4. On July 18, 2013, the Department received Mr. Gray's response to the audit letter and information request. Mr. Gray indicated that 12,623 of the subject advertisements were mailed out, resulting in 622 inquiries. Mr. Gray also presented a template for the new advertisement which identified the agency as America Senior Benefits (a national marketing company for which Mr. Gray is the Regional Sales Manager) and removed the statement, "Quantities are Limited."

5. After the July 8, 2013, meeting, another complaint was received by the Department regarding two agents working for Mr. Gray. A second meeting with Mr. Gray was held on December 2, 2013. At the meeting, various topics were discussed including marketing materials, appointments, and designations. The Department determined that Respondent had violations regarding its advertising/marketing materials and designation requirements.

6. On February 24, 2015, Department personnel again met at Respondent's offices to discuss the problem areas determined previously. In addition, an article and advertisement in Tooele County Senior United News revealed continued violations. One of Respondent's agents was responsible for that and was immediately called into the meeting and reprimanded by Mr. Gray for altering the company's business card which was published with the article.

7. Respondent has taken responsibility for the violations and on April 15, 2015, the Respondent agreed to an administrative forfeiture of \$4,000.00 and probation for twelve (12) months.

Based upon the foregoing Stipulation and Findings of Fact, the Presiding Officer enters the following Conclusions of Law:

CONCLUSIONS OF LAW

1. Utah Code Section 31A-23a-402 addresses unfair marketing practices and prohibits any insurer from making any communication that contains information that is false or misleading to the consumer. This includes information that is false or misleading because it is incomplete.
2. Respondent mailed out advertising that (a) did not disclose the Mr. Gray was a licensed insurance agent; (b) was misleading in stating that only a limited number of free Medicare Guides (provided free by the federal government) were available; and (c) caused Utah consumers to be misled or confused, in violation of the above provision.
3. Utah Administrative Rule R590-154-7 prohibits an insurer from misleading a person through business cards, advertising, or other promotional materials used or distributed in Utah. Respondent's actions were a violation of this Rule.
4. The proposed administrative forfeiture of \$4,000.00 along with probation for a period of 12 months is appropriate in this matter.

Based upon the foregoing Stipulation, Findings of Fact and Conclusions of Law, the Presiding Officer herewith enters the following Order:

ORDER

IT IS HEREBY ORDERED:

1. Respondent, Legacy Insurance and Financial Services, is hereby assessed an administrative forfeiture in the amount of \$4,000.00.
2. The administrative forfeiture shall be paid to the Department within thirty days of

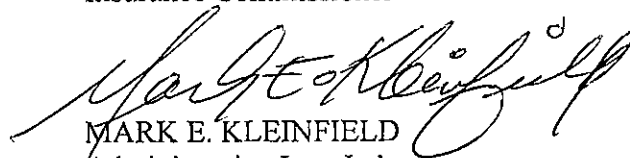
the date this Order is signed.

3. Respondent is hereby placed on probation for a period of 12 months, beginning on the date this Order is signed.

4. The terms of probation are that the payment of the forfeiture shall be timely made to the Department and that there will be no further violations of the Utah Insurance Code, Department Rules or Orders of the Commissioner.

DATED this 15 day of June, 2015.

TODD E. KISER
Insurance Commissioner



MARK E. KLEINFELD
Administrative Law Judge
Utah Department of Insurance
State Office Building, Room 3110
Salt Lake City, UT 84114
Telephone (801) 538-3800

NOTIFICATION TO RESPONDENT

You are hereby notified that a failure to obey an Order of the Commissioner may subject you to further penalties, including forfeitures of up to \$5,000 per violation and the suspension or revocation of your license and the filing of an action in district court, which may impose forfeitures of up to \$10,000 per day for continued violation.


You are further notified that other jurisdictions in which you may be licensed may require that you report this action to them.

CERTIFICATE OF MAILING

The undersigned hereby certifies that on this date, true and correct copies of the
STIPULATION AND ORDER were mailed, postage prepaid, to the following:

**LEGACY INSURANCE AND FINANCIAL SERVICES
6671 S. REDWOOD ROAD, SUITE 200
WEST JORDAN, UT 84084
ATTENTION: WAYNE GRAY**

Dated this 15 day of June, 2015.


LINDA HARDY
UTAH INSURANCE DEPARTMENT
STATE OFFICE BUILDING, ROOM 3110
SALT LAKE CITY, UT 84114-6901

**UTAH
Invoice**

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Printed Date: June 15, 2015

Invoice Date: June 08, 2015
Balance Due: \$0.00
Due Date: July 13, 2015
Invoice ID: 773526

LEGACY INSURANCE AND FINANCIAL SERVICES
6671 S REDWOOD RD
SUITE 200
WEST JORDAN UT 84084

Item Description	Amount
Monetary Penalty Agency	\$4,000.00
Original Amount Due	\$4,000.00
Payments Received	
6/11/2015 Check	\$4,000.00
Balance Due	\$0.00

**UTAH
Invoice**

Printed Date: June 15, 2015

Invoice Date: June 08, 2015
Balance Due: \$0.00
Due Date: July 13, 2015
Invoice ID: 773526

Make checks payable to: Utah Insurance Department

Send payment to:

Utah Insurance Department
3110 State Office Building
Salt Lake City, UT 84114-6901

Detach and Return with Payment